MEMORANDUM ON VILLAGE GRAIN STORES IN THE MYSORE STATE.

(Submitted to the Simla Conference held in September last.)

I have always understood that the main object of Act X of 1904 of the Government of India is to develop an organization which is to serve as a ready resort to the agriculturists for procuring the credit that they need for the better cultivation of their holdings and for the better utilization to their own profit of the products of their labor. Lord Curzon in his farewell speech at the Byculla Club, apparently had also this feature of the enactment before his mind's eye when he said—"It is the Indian poor, the Indian peasant, the patient, humble, silent millions, the 80 per cent who subsist by agriculture, who know very little of politics but who profit or suffer by their results, and whom men's eyes, even the eyes of their own countrymen, too often forget— to whom I refer. He has been in the background of every policy for which I have been responsible, of every surplus of which I have assisted in the disposition. We see him not in the splendour and opulence nor even in the squalor of great cities. He reads no newspapers, for as a rule he cannot read at all; he has no politics. But he is the bone and sinew of the country; by the sweat of his brow the soil is tilled; from his labour comes one-fourth of the national income; he should be the first and final object of every Viceroy." The first interest of Government, as the ultimate landlord in India, may be said therefore to be centered in developing a system of banking whereby the rural folk may readily obtain the accommodation they need for agricultural and other purposes without having to pay exorbitant rates of interest and with a clear understanding of the transactions whenever they take fresh loans or discharge old ones.

2. The question then is, how are we to proceed in setting up an organization which will be useful to the rural inhabitants of India, whether we are to start from the village as a unit and elaborate a scheme which would ultimately reach Taluk and District centres, or whether we are to work our way from the last two centres and reach the villages. I have found that people at Taluk and District centres are not unwilling to have co-operative institutions in their midst, but their ideas, at any rate in the beginning, do not travel beyond their own immediate profits, and they feel it difficult to conceive that there can be any identity of interests between themselves and the rural people. Even where such identity is perceived, there is more or less reluctance to include as members people belonging to the smaller agricultural classes of villages. For the present purpose, it is unnecessary to inquire into the causes of this reluctance; I think it is enough to recognise the existence of such feeling and till time and better knowledge are able to work a cure, to adopt other aways of helping the village folk.

3. Fortunately, the villagers themselves are not without resources. In raiyatwari tracts such as may be said to universally exist in Madras, Bombay, Berar and Central India, almost every person in a village owns in his own name some extent of land or has some interest in land. Even where there is a co-sharing body holding the landlord right over the whole village as in Punjab and the United Provinces, I believe—I speak subject to correction—that many of the co-sharers themselves cultivate the land and do not differ in status from the raiyatwari holders as among themselves. Whatever may be the case, there is always security for the loan advanced to the raiyat and the Sowkars or professional money-lenders have not been slow to benefit by such security. Their capital, however, being inadequate to meet all the wants of the villagers, and as they are not able to keep it in constant circulation, ready accommodation, even when sufficient security is forthcoming is not possible, and among others the present unsatisfactory cultivation of the village lands is to a great extent due to this want of funds on the part of the villagers in the cultivation season. The primary object should therefore be to supplement the Sowkar's capital wherever available with other funds also.

4. In seeking the sources for such funds, I have found that in Mysore the most efficacious source is the village land-holder himself, who is at present an isolated unit, but who can be to a large extent constituted in the course of some years his own banker. To the raiyat, it is always an insuperable obstacle to be asked to furnish capital in cash, if he wishes to join an agricultural bank or a co-operative society. From my observation of village life, I have found that he will readily consent to furnish a quantity of grain, especially if the demand is made in the harvest season, and combination of villagers in this direction will, it is likely, have far reaching effects on village economy.

5. The shades of the old *barabaluti* system (or the Village Twelve), although at present regarded as a mere name, still linger in the village. The Shanbhog (Patwari or karnam) and the Patel (Lambardar or Manigar) do not now look to the villagers for their remuneration in the shape of a share of the grain harvested annually. The *Toti* (watchman) and the *Talari* (beadle) still eke out a meagre existence on the old system with some show of being able to enforce their right for a share of the grain. There are others, however, who have not lost their existence in the village autonomy and to whom year after year grain contributions are voluntarily continued. These are the barber, the pot-maker, the carpenter, blacksmith, the washerman, and in some places the Panchanga Brahmin or astrologer. These receive annually a fixed share of the grain, generally from one to ten seers per Khandaga of the yield of grain per house. A grain contribution therefore is not foreign to the minds of the villagers, and I think, an association of villagers pledged to pay a quantity of grain annually as their capital has far better chances of success than if the share-capital is to come in any other shape.

6. To begin with, I think it desirable to select in each taluk two or three villages having each a population of about a thousand or more, and preferably villages where the existing elementary schools have given a smattering of education to the inhabitants. Whatever the shortcomings of these schools or their masters may be at present, my contact with village life, especially during the past six months, when I have visited the villages with an eye to a special purpose, has shown me that education however elementary and however defective, has still some influence in opening the minds of the villagers to new ideas. For instance, some time ago, I visited two villages Bommasandra and Mayasandra, both in the Anekal Taluk of the Bangalore District. While in the latter place, where there is a school, I found the inhabitants evincing intelligent interest in the scheme I explained to them, in the former I felt that my words fell on minds which were as impervious to them as the stones of the mantap in which we were gathered.

7. Having selected a few villages of the right sort, the next business is to ascertain who the present money or grain lenders are. If they happen to be, according to local ideas, comparatively large capitalists, it is best to discuss the scheme with them and bring home its advantage to them. My experience of these people is that they are sheewd enough to perceive the advantages of a Co-operative scheme, but that they oppose it if they are not taken into confidence and consulted. It may also be necessary to allow some share to them in the management when an association is started. It may be remarked, however, that there are several villages where there are no Sowkars constituting the customary money-lenders of the place, and where the villagers manage to obtain accommodations from any person who has trust in them. There is therefore wide scope for choice, and I have no fear of the scheme collapsing from any opposition on the part of the existing money-lenders, as their influence is not all-pervading.

8. In the villages selected for operation, the next business is to get together a large a gathering of the inhabitants as possible and address them with some previous knowledge of the economic life of the village derived from the village registers and from books of the Registration Department. A proposal for a grain contribution towards capital—which, it should be explained, will belong to each member according to his share and which could be withdrawn when he disconnects himself from the association—generally receives a ready response from the majority of the assembled raiyats, although there will be prolonged discussion and exchange of whispers as regards the exact quantity that each is to contribute per Khandaga or Palla (100 seers) of grain. In assessing the grain contribution it is best to avoid assessing either on the rupee-basis of Kandayam (Government rent) or on the basis of the number of ploughs maintained. In both these cases, the contribution becomes fixed in quantity, but the raiyat I find, prefers an elastic basis, a basis varying according to the quantity of grain grown by him. This varying contribution will also be in keeping with the existing customary contributions given to the carpenter and others mentioned above.

9. Having ascertained the names of those willing to join the village society,—the fewer the better in the beginning, provided the number is not below the legal limit of ten,—the next object should be to appoint a panchayet generally consisting of from five to nine members, so as to include as many of the intelligent and influential men of the place as possible. In the villages of Mysore, I have found that people of several castes come forward freely to co-operate in institutions where no questions pertaining to caste arise. The nomination of a panchayet should, however, be done in the presence of the assembled members, so that the names may commend themselves to them. The gathering may then be dissolved.

10. The panchayet may then proceed to collect the subscribed grain-capital and store them in a selected grain-pit which can be easily found in a village. They may also frame a few rules of management, which, after being placed before the general body of members, should receive the sanction of the Registrar. Once or twice a week, whenever there are any applications for loans of grain, the quantity required may be lent out according to the rules of the Society. Whenever grain is to be put into the store or taken out of it, it should be so done in the presence of at least two members of the panchayet. A month or two before the next harvest, when the prices are generally high, half the quantity of the total grain collected for the whole year or any other quantity which may be fixed with due regard to the keeping of the grain, etc., may be sold for cash, provided the harvest is assured. Money capital will also thus become more and more available for loans to members, for payment of assessment, for needs of cultivation, or for family purposes. These operations may be repeated year after year, and the store of grain may go on increasing till the quantity kept in stock is fairly sufficient for the maintenance of the members and their families for, say, half the year. This store will be a provision constantly kept up against the failure or deficiency of any harvest. In other words, while serving as a reserve to raise money capital when necessary, the store will also serve as an insurance against seasonal uncertainties.

11. The accounts to be maintained are a Day-book (Khiradi), a Ledger (Khate) and a File-book of documents which under the concessions granted as to stamp duty will all be on plain paper. In the beginning of every month a return should be compiled showing the quantity of grain in store, or amount of money in hand, the quantities or amounts lent in the previous month, and the names of the individuals to whom they were lent. The return may be

duplicate; one copy being filed in the Taluk Cutcherry and another copy sent to ar. The Amildar (Tahsildar or Mamlatdar) may in his tours in the taluk satisfy occasional inspections of the correctness of the entries in the account books. Under of the Co-operative Act, each Society is entitled to a free audit of the accounts once he hands of the Registrar. The same section also gives power to the Deputy Com- r Collector or any person authorized by him in this behalf, to inspect at any time accounts, papers, etc., of a Society. To help the panchayet in fixing the amount of granted to a member, extracts from the Village Khate (Ledger) may usefully be for reference, and the encumbrances on the lands as known from the Registration t books may also be noted from time to time. The book containing this information s a sort of castelletto in fixing the credit of a member. Other books to be maintain- gister of members and a minute-book.

The cost of maintenance will, unless the number of members very largely increases nsactions become numerous, not be much. The account forms being on the basis forms, will be easily understood and a literate person may be employed to write up unts for a small annual remuneration or honorarium calculated on the profits of the The members of the panchayet need be given no remuneration, at any rate in the as the work to be done is of a simple nature and will occupy but a very small part me. No large establishment for guarding the store is necessary also, as on account fined air in the grain-pits when covered these pits have to be kept open for a num- rs before a person can enter them and take out any grain. The members may be keep an eye on the store by turns and the village watchman may be given a small tion for guarding it specially. In fact, each member of the association being himself in the store, and considering that on account of its narrow limits every small event known in a village, it will be rare that any unauthorized meddling with the store r.

Each village store may generally begin as an independent one; but as the number of es increases, they will require to be federated to a central association at the Taluk rters on some such lines as those of the Village Union and the Taluk Boards. While -store may remain in the village, the cash realised may be transferred to the custody ociation at the Taluk Head-quarters, to be dealt with according to the rules which ramed when the need arises. Ultimately other central organizations federating the ociations may also be needed. From what I have seen of village life, I believe that a f the kind I have sketched is more likely to commend itself to the villagers than a bitious one from the top radiating to the villages, although attempts in this direction lso be vigorously made. The merit of a village store is its publicity and its simplicity. e within the comprehension of any ordinary villager and every transaction will be the he place, possibly even before it may actually take place. The store will be under the te eye of every member or other person who may happen to pass by it, and accustom- e villagers are to preserve grain in pits or other receptacles, a store of the kind I have ed, will appear to be the safest form in which it can be maintained, as much on account se with which it can be kept up, as on account of the confidence which it is sure to n the minds of the villagers, that the store is not a fraud but that it is started solely for enefit.

The annual general meeting may be held on the Hindu New-year's-day (Ugadi), other day of rejoicing. In course of time, the village associations may, if properly ed, furnish funds for the primary education of its members and others, look to the sanitation of the village, and in other ways be helpful to the fulfilment of the communal However, these are only dreams now, and I think, we may for the present limit our- o the work of starting village stores on the lines indicated by me in a few selected places e as experiments, and on the strength of the experience thereby gained, guide our future The motto of *festina lente* should be the motto of every village store to be started ex- ntally, for the chief recommendation of the motto, it is apparent, is the cautious wisdom dvice.

Two stores of the kind described by me have been lately started in two villages in the State, one at a place called Kotta in the Sira Taluk and the other at a village called ndra in the Anekal Taluk. I append the rules which guide these stores at present. ules, I may add, explain a few points which could not find mention in the body of the Memorandum.

M. SHAMA RAO,
Registrar of Co-operative Societies in Mysore.

RULES OF THE GRAIN-BANK ESTABLISHED AT KOTTA IN THE SIRA TALUK.

Name.

his Bank shall be known as the Kotta Grain-Bank. It will be situated in the Kotta vil- f the Sira Taluk.